

SB 1386



CENTER *for* CIVIL JUSTICE

Fighting Poverty Through Advocacy.

320 South Washington, 2nd Floor
Saginaw, Michigan 48607
989-755-3120; fax 989-755-3558

436 South Saginaw, 4th Floor
Flint, Michigan 48502
810-244-8044; fax 810-244-5550

Testimony to the House Appropriations Committee

December 12, 2012

Introduction

Chairman Moss and members of the committee, my name is Jackie Doig and I am the Senior Staff Attorney at the Center for Civil Justice (CCJ), a non-profit organization with offices in Flint and Saginaw. We provide a variety of services to low-income people and their advocates in a 14-county region of mid-Michigan and the Thumb, including Midland and Isabella Counties. We regularly meet with and work closely with many non-profit human services providers.

I am testifying today in opposition to SB 1386, which creates a new statutory lifetime limit on cash assistance which is unnecessary to achieve the goals of the Family Independence Program in light of the current 48 month limit in the Social Welfare Act.

Michigan already has a lifetime time limit that was adopted in 2007 that has reduced caseloads
The Family Independence Program is already a temporary program. Michigan has had a 48 month lifetime limit since 2007. Since then, families have known that they are subject to time limits, but were promised in writing that certain months – including those before 2007 - did not count toward the limit. In 2011, the number of exemptions to that time limit were greatly reduced, under legislation sponsored by Representative Horn and passed after months of debate and discussion.

It is most cost-effective for parents to care for disabled children at home

The proposed law would eliminate limited exemptions to time limits for parents with children whose doctors say that the children require steady care at home. Paid child care, home help, or home health providers cannot fulfill the parental responsibilities of a parent with a disabled child, who must attend medical appointments, assist with therapy and home work, stay home when the child is too ill to be around other children, pick the child up at school when mental impairments result in behavioral issues, etc. Paying a parent a FIP grant of about \$400 per month (for 2 people) so that parent can stay home and care for the child is far less expensive to taxpayers than paying for the child to stay in an institutional setting capable of dealing with the child's special needs. In addition, under federal law these families are not included when HHS calculates the state's work participation rate; thus the state cannot face *any* federal penalties because they remain on FIP.

Cost Per Day Per Person	
FIP Cash Assistance	\$ 5.40
Child in Foster Care	\$ 14.24
Homeless Shelter	\$ 17.90
Nursing Home	\$ 140.40

Applying time limits and eliminating exemptions retroactively to 1996 is fundamentally unfair to needy children

From 1996 to 2007, families were told by the legislature and the state agency, that if they complied with all the state work requirements, they would not be cut off even if they had not yet worked their way off of assistance. Parents made decisions about whether to apply or not to apply based on what they were told. Working families who received as little as \$10 per month on FIP relied on what the Department said-- that this supplement to their wages would not count against them to prevent them from getting help at a later time when they lost work or faced greater needs.

Beginning in 2007 these families were told about the 48 month limit but also were told that certain months would not count toward those limits, such as months before 2007 and months when they were working at a job, or unable to work because of disabilities, or caring for a child if the child's doctors confirmed they needed a parent at home. To punish children now for the rational decisions made by their parents, based on what DHS told them in writing and verbally, is unconscionable.

Michigan can pay for more than 60 months of FIP entirely with federal TANF funds

During the years 1996-2007, when Michigan had NO time limits at all, any families who received benefits more than 60 months could have their benefits paid entirely by federal TANF block grant spending. That is what Michigan did until October 2011 and is free to do again. Federal law allows states to designate up to 20% of their TANF caseload as 'hardship' cases that can be paid for with 100% federal funds. Even at the height of its TANF caseload, Michigan's hardship cases never came near to 20% of the caseload.

Michigan's use of federal TANF funds is only limited now because the Department voluntarily changed the plan submitted to the federal government -- a change that is not required by federal law or by the current state law setting a 48 month time limit on FIP.

SB 1386 limits the Department's flexibility to respond to future needs

SB 1386 would require the Department to use receipt of assistance in the distant to past to deny FIP to parents who are working right now but who become unable to work in the future due to health or disability problems. It is arbitrary and unfair to limit future eligibility for FIP on circumstances that exist at the time this legislation goes into effect, i.e. whether a parent happens to be exempt from work rules based on a disability right now. This legislation limits the Department's ability to use federal TANF funds to ensure that families with children do not become homeless or face further harms because a parent has suffered an injury or developed a health condition that renders them unable to work for an extended period of time.

The legislature has already debated and settled on a 48 month time limit. That limit has reduced the caseload. It is unnecessary to act hastily and without due deliberation in making these further changes.

Thank you for the opportunity to testify. I will be glad to answer any questions you may have. I can be reached at jdoig@ccj-mi.org.